

TRAVEL INDUSTRY EMPLOYMENT THROUGH NOVEMBER 2020

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KEY FINDINGS

The recession caused by the COVID-19 pandemic saw the unemployment rate rapidly rise from 3.5% in February to 14.7% by April. Since that April peak, the unemployment rate has gradually declined, falling to 6.7% in the BLS data released on December 4th. While the entire economy has been affected, the Leisure & Hospitality (L&H) sector has been the epicenter of the economic fallout.

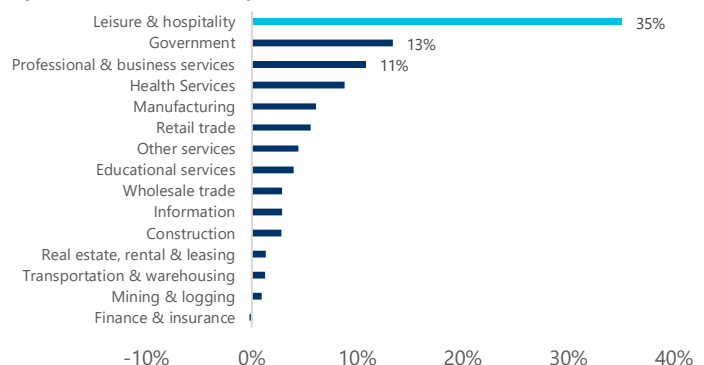
The Leisure & Hospitality industry, as defined by the North American Industry Classification System (NAICS), accounted for 11% of pre-pandemic employment in the United States, yet has suffered 35% of all job losses. Conditions have worsened over the past four months, as L&H represented only 33% of all job losses in July.

35%

L&H industry share of all US jobs lost through November

Share of total US employment loss by industry

% of all US jobs lost from February-November 2020



Source: BLS

27%

Employment growth within L&H from 2010 to 2019

The Leisure & Hospitality industry had been a key driver of job growth in the United States, outpacing total job growth by 11 percentage points from 2010 to 2019. The current crisis has erased nearly all of the L&H job growth of the past decade, as the current employment level sits only 1% above its 2010 level.

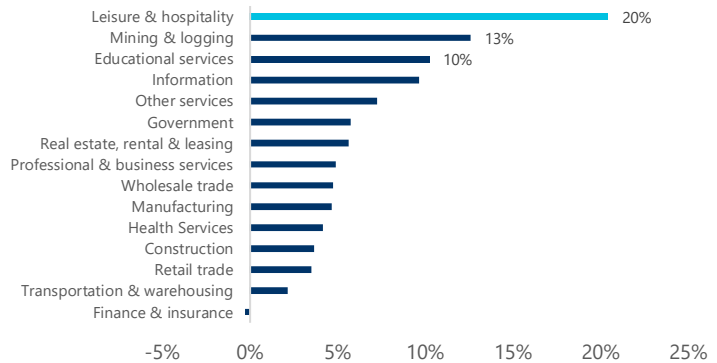
20%

Share of L&H jobs still lost through October

Nearly half of the 16.9 million jobs in the Leisure & Hospitality industry were lost in March and April. Since then, 4.9 million jobs have been created or restored. However, this still results in about 20% fewer Leisure & Hospitality jobs – seven percentage points more than the next most hard-hit industry.

Share of jobs lost in major industries

% of industry jobs lost from February-November 2020

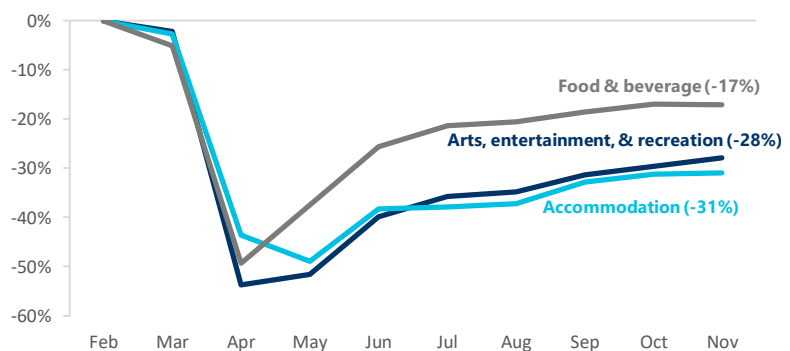


Source: BLS

While the Leisure & Hospitality industry has regained 4.9 million jobs since its low point in April, the pace of recovery has been slowing and uneven across segments. The Accommodation and Food & Beverage segments stalled in November and remain 31% and 17% below their February employment levels, respectively. The Arts, Entertainment, & Recreation segment experienced minor improvement, but at 28% below its February employment level, the segment has suffered more than twice as many relative job losses as the next most hard-hit industry – Mining & Logging, which is 13% below its February employment level.

Share of jobs lost in L&H sub-industries

% of industry jobs lost from Feb-Nov 2020



Source: BLS

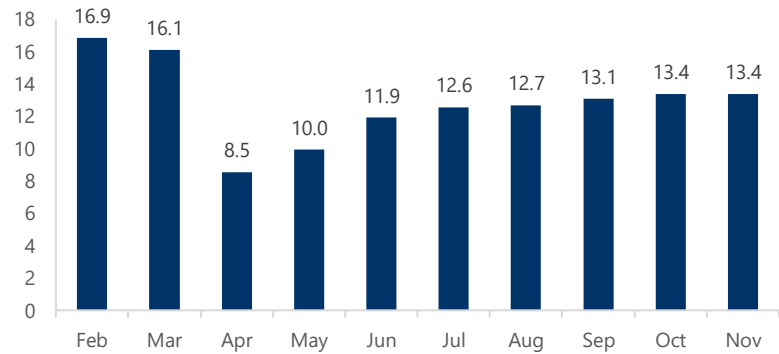
31,000

New L&H jobs added in November – down from 413,000 in September

The bulk of the recovery occurred in June, following the easing of lockdown restrictions. Since then, employment growth in L&H has been decelerating rapidly: over the past three months, job growth in L&H has slowed from 413,000 new jobs in September to a mere 31,000 in November.

Leisure & hospitality employment

Millions of jobs

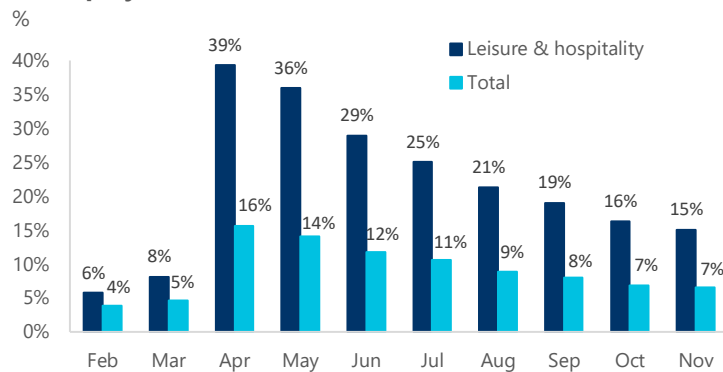


Source: BLS

15.0%
L&H unemployment rate

The Leisure & Hospitality industry remains distressed with an unemployment rate of 15.0% in November – more than double the national unemployment rate. While positive results from vaccine trials put an end of the pandemic in sight, rising COVID-19 cases, the continued divide over re-opening protocols, and the uncertainty surrounding future economic stimulus present tangible risks to the Leisure & Hospitality industry’s already precarious situation.

Unemployment rate



Source: BLS

Employment situation			
Jobs (thousands)			
Industry	Jobs lost (Feb-Nov)	% of jobs lost (Feb-Nov)	% of all jobs lost (Feb-Nov)
Mining & logging	-90	-13%	1%
Construction	-279	-4%	3%
Manufacturing	-599	-5%	6%
Wholesale trade	-281	-5%	3%
Retail trade	-550	-4%	6%
Transportation & warehousing	-123	-2%	1%
Information	-280	-10%	3%
Finance & insurance	18	0%	0%
Real estate, rental & leasing	-133	-6%	1%
Professional & business services	-1,061	-5%	11%
Educational services	-392	-10%	4%
Health Services	-864	-4%	9%
Leisure & hospitality	-3,449	-20%	35%
Arts, entertainment, and recreation	-690	-28%	7%
Accommodation	-647	-31%	7%
Food services and drinking places	-2,111	-17%	21%
Other services	-432	-7%	4%
Government	-1,313	-6%	13%
Total economy	-9,833	-6%	100%

Source: BLS

December 2020

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